

**BEFORE THE DIRECTOR OF THE DEPARTMENT OF FINANCE  
OF THE STATE OF IDAHO**

STATE OF IDAHO, Department of	)	
Finance, Securities Bureau,	)	Docket No. 2009-7-26
	)	
Complainant,	)	<b>CONSENT ORDER TO</b>
	)	<b>CEASE AND DESIST</b>
vs.	)	
	)	
Peter A. Simon	)	
	)	
Respondent.	)	
_____	)	

The Director of the Department of Finance ("Director") has instituted an investigation into the conduct of PETER A. SIMON ("Simon"). Pursuant to said investigation, it appears that violations of the Idaho Uniform Securities Act (2004) ("Act"), Idaho Code § 30-14-101 *et seq.* have occurred. The Director and Respondent have agreed to resolve this matter without a public hearing. Therefore, the Director deems it appropriate and in the public interest that this Consent Order to Cease and Desist ("Consent Order") be entered, and the Respondent consents to the entry of this Consent Order.

**RESPONDENT**

1. Respondent Simon is, and has been at all relevant times, a resident of Idaho. Simon has been an Idaho licensed insurance agent since December 1993 and conducts his insurance business through Financial Planning Solutions, an Idaho limited liability company organized by Simon in September 2002.

2. Respondent Simon is not registered or exempt from registration in Idaho as an agent pursuant to § 30-14-402 of the Act.

### **BACKGROUND**

3. On or around August 18, 2005, Respondent Simon entered into a producer sales agreement with A & O Resource Management, LTD ("A & O") and CA Houston Investment Center ("Houston").

4. A & O and Houston, through their affiliated companies, issued investments in fractionalized whole life insurance policies, commonly known as life settlements.

5. From March 2006 through November 2007, Simon recommended, offered and sold to at least nine Idaho investors, approximately \$2 million in life settlement investments offered by A & O and Houston.

6. Respondent received commissions from A & O and Houston for selling the life settlement investments.

7. Respondent Simon offered and sold securities within the meaning of Idaho Code §30-14-102(28) of the Idaho Uniform Securities Act (2004).

8. Respondent Simon sold the life settlement securities issued by A&O and Houston without the benefit of registration or exemption from registration.

9. Respondent Simon acted as an agent by engaging in the business of effecting transactions in securities for the account of others by selling life settlement investments.

### **FINDINGS OF VIOLATIONS**

10. The Director has jurisdiction over this matter pursuant to the Act.

### **COUNT ONE**

11. Paragraphs 1 through 10 set forth above are fully incorporated herein by this reference.

12. Simon violated Idaho Code §30-14-402 by transacting business in the state of Idaho as an agent without registering pursuant to the Act or being exempt from registration.

**CEASE AND DESIST ORDER**

**NOW, THEREFORE, PURSUANT TO IDAHO CODE § 30-14-604(a) (1), IT IS HEREBY ORDERED THAT PETER A. SIMON IMMEDIATELY CEASE AND DESIST FROM:**

A. Violating the Act, including the cessation of selling or accepting funds for any life settlement investments as described above or any other investments.

**ACKNOWLEDGMENT, AGREEMENT AND CONSENT BY RESPONDENT**

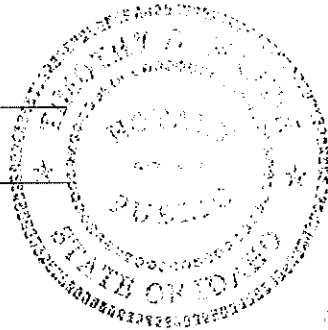
1. The Respondent consents to the entry of this Order.
2. The Respondent admits violations alleged by the Complainant in this Order.
3. Respondent agrees to pay the Complainant a fine of twenty-five thousand dollars (~~\$25,000~~). *15,000 - I would really appreciate if you would please consider this request - I can pay 10,000 now + work a payment plan for the 5,000*
4. Respondent agrees to not, now or in the future, provide any investment advice or sell securities in or from Idaho unless the securities are registered and Respondent is registered as a securities broker-dealer, agent, investment adviser, or investment adviser representative in the state of Idaho. *OK, MT Chastain 1-4-2010*
5. In conjunction with this Order, Respondent agrees to fully cooperate with the Complainant in any further related investigation or enforcement action.
6. Respondent agrees to abide by the Act. In the event that Respondent commits violations of the Idaho Uniform Securities Act within three (3) years of the date of this Order, Respondent acknowledges that Complainant can incorporate the allegations giving rise to this Order in any future proceeding.
7. Respondent waives notice and opportunity for a hearing under Idaho Code § 30-14-604 (b) and (c), and under the contested case provisions of the Idaho Administrative Procedures Act, Idaho Code § 67-5240 *et. seq.*

AGREED TO and ACKNOWLEDGED this 4<sup>th</sup> day of January, ~~2009~~ <sup>2010</sup>:

Peter A. Simon  
PETER A. SIMON

SUBSCRIBED and SWORN TO before me this 4 day of January, ~~2009~~ <sup>2010</sup>.

[Signature]  
Notary Public  
My commission expires: 11/12/11



Dated this 4<sup>th</sup> day of JANUARY, ~~2009~~ <sup>2010</sup>.

BY ORDER OF THE DIRECTOR

[Signature]  
GAVIN M. GEE, Director  
Idaho Department of Finance

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CEASE AND DESIST ORDER ADDENDUM


STATE OF IDAHO  
DEPT OF FINANCE

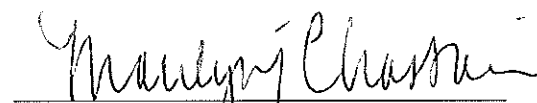
The Idaho Department of Finance agrees to the following terms relating to the fifteen thousand dollar (\$15,000.00) fine payable by Respondent Simon to the Department:

1. Peter Simon will remit to the Department of Finance a payment of ten thousand dollars (\$10,000.00) no later than February 19, 2009. Respondent Simon agrees to make additional payments to the Department of at least five hundred dollars (\$500.00) by the 15<sup>th</sup> day of each succeeding month until the amount of five thousand dollars (\$5,000.00) is paid in full.

2. Respondent Simon agrees that if all terms and conditions set forth in this addendum are not timely met, the Department will re-open its investigation into Respondent Simon's sales activities in Idaho and will seek all remedies allowed by law that may arise from any and all violations of the Uniform Securities Act (2004).

DONE AND DATED at Boise, Idaho this 10<sup>th</sup> day of February, 2010.

  
PETER A. SIMON

  
MARILYN T. CHASTAIN  
Bureau Chief, Securities Bureau  
Department of Finance  
State of Idaho